

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$14,103,000		\$13,951,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$14,103,000		\$13,951,000	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 780 requires the Division of Behavioral Health (DBH) in the Department of Health and Human Services (HHS) to take responsibility for persons taken into emergency protective custody (EPC) by law enforcement officers. Current law requires counties to pay for and to make arrangements with appropriate medical facilities, jails or the Department of Correctional Services for persons placed into emergency protective custody.

The bill provides for the legal and physical transfer of custody to the DBH to take place within one hour after notification by law enforcement. DBH may contract with law enforcement for the transport, placement and admission to an appropriate placement. Violations of these requirements by the DBH after being informed that a person is taken into emergency protective custody will result in the Director of the DBH or his or her designee being guilty of a Class IV misdemeanor.

Emergency Protective Custody: The bill will have a significant fiscal impact for the DBH in HHS to take physical custody and place persons in appropriate settings for EPC purposes. It is difficult to estimate the staffing required to implement the bill. It is possible the shift from having counties responsible for EPC's to requiring the state to take responsibility may have some impact on the number of EPC's. The fiscal note prepared by HHS appears reasonable.

Permanent Staff: The department projects the need for an additional 76 FTE throughout the state to respond to requests by law enforcement for EPC placements. HHS employees or contracted staff will need to be available anywhere in the state to take physical custody within one hour of notification. The estimated annual cost for the salaries and benefits of added staff is about \$3.7 million of general funds beginning in FY2016-17. This fiscal note estimates related operating costs, travel and vehicle lease costs to be about \$1.3 million per year. One-time capital outlay expenses for computers and cell phones are estimated to total \$152,000 in FY17.

On-call 24/7 Staff: HHS anticipates hiring contractual employees to be on-call in the evening and overnight. The estimated cost for this service will be about \$1,126,000 per year.

Hotline: A hotline would be established for law enforcement to communicate with the DBH. Estimated annual costs will be \$1.5 million for the 24/7 service. The estimate is based upon other such services run or contracted for by HHS.

Transportation: LB 780 authorizes HHS to contract with law enforcement to transport individuals to EPC's. HHS estimates transportation expenses of \$2,325,000 per year.

County EPC Costs Shifted to the State: Counties currently pay the costs for persons placed in emergency protective custody. The state provided about \$9.6 million (\$9 million general/cash funds; \$620,000 federal funds) to the behavioral health regions in FY2014-15 for emergency services. It is assumed this funding will continue for services but the share of costs currently paid by counties will shift to the state. HHS estimates approximately \$4 million of expenses paid by counties for EPC's will shift to the state on an annual basis.

Fines: If the Director of DBH or his or her designee is found to be guilty of violating the provisions of the bill, then a fine of up to \$500 may be assessed for each violation. It is assumed there will be few violations so little revenue is projected fines. Fine revenue accrues to the county where the fine is imposed to be used for public schools.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-8-16

Phone: (5) 471-6351

	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$14,616,495	\$0	\$14,464,495	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$14,616,495	\$0	\$14,464,495	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB780 shifts the responsibility of individuals who are placed in emergency protective custody from local law enforcement to the Department of Health and Human Services or their designee. This bill stipulates that the individual that is being placed in emergency protective custody be transferred to the custody of the Department of Health and Human Services or their designee within 1 hour of being notified by law enforcement.

In order to comply with this bill, DHHS would need an additional 76 FTE's. For front line staff approximately 70 Child and Family Service Specialist level employees would be needed. In addition, there would need to be a minimum of 5 managerial staff to supervise the front line staff, and 1 administrator for each one of the regions. In order to have 24/7 coverage and respond overnight if needed, and additional \$1,125,870 will be needed to facilitate on-call employees. In addition to the typical operating expenses for these employees, initial capital outlays would be required for computers and cell phones to perform their job duties. This would result in an additional \$152,000 for FY17. Staffing estimates are based on the current number of emergency protective custody cases occurring in the state during past year. Legislative changes proposed in the bill could significantly increase the number of EPCs and necessitate additional staff requirements.

In order for the Department of Health and Human Services to accept custody as required by the bill, staff must travel to the facility and therefore the agency would need to lease approximately 30 vehicles. With a vehicle lease price of \$234 per month and a mileage charge of 31 cents per mile, if the vehicles travel an average of 15,000 per year, the fiscal impact will be \$88,890 per fiscal year.

DHHS would contract with local Law Enforcement Agencies to provide transportation. The average estimated contract amount would be \$25,000. In order to meet the one hour time frame, it would be necessary to contract with agencies in all 93 Nebraska Counties. The estimated fiscal impact for the contracted transportation would be \$2,325,000 each fiscal year 2016-17 and 2017-18.

The Department of Health and Human Services would establish a 24/7 hotline to assist in placing the individuals who are in emergency protective custody. This hotline would have a similar fiscal impact as to those currently in place, which is \$1,500,000 per fiscal year.

LB780 removes financial responsibility from the counties and places the costs for emergency protective care to the State of Nebraska. Based on existing information, it is estimated that a minimum, an additional \$4,000,000 for each fiscal year 2016-17 and 2017-18 would be required in Program 038 to cover these increased costs.

Operating under the assumption that the staff would start on July 1, 2016 the fiscal impact of LB780 \$14,616,495 in fiscal year 2016-17 and \$14,464,495 in fiscal year 2017-18.

For questions regarding the content of this note, contact Brandon Collins at 471-9646.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2016-2017	2017-2018
	15-16	16-17	EXPENDITURES	EXPENDITURES
Child and Family Services Specialist	70	70	\$2,542,176	\$2,542,176
Child and Family Services Specialist Supervisor	5	5	\$232,388	\$232,388
DHHS Administrator I	1	1	\$59,035	\$59,035

Benefits.....			\$859,770	\$859,770
Operating.....			\$8,332,236	\$8,332,236
Travel.....			\$2,438,890	\$2,438,890
Capital Outlay.....			\$152,000	
Aid.....				
Capital Improvements.....				
TOTAL.....			\$14,616,495	\$14,464,495

Please complete ALL (5) blanks in the first three lines.

2016

LB780⁽¹⁾ Change provisions relating to emergency protective custody

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ DOUGLAS COUNTY, NEBRASKA

Prepared by: ⁽³⁾ AMBER MICHALSKI, Date Prepared: ⁽⁴⁾ 1/21/16 Phone: ⁽⁵⁾ 402.599.2267
ADMINISTRATIVE
SERVICES MANAGER
DOUGLAS COUNTY
CORRECTIONS

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate:

NEGLIGIBLE OR NO FISCAL IMPACT TO COUNTY

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 780

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Scott Etherton Date Prepared: ⁽⁴⁾ 1/13/16 Phone: ⁽⁵⁾ 402-441-6329

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

It would appear that the main part of this bill is to transfer the custody of EPC persons from the responsibility of law enforcement and therefore the county where the person is placed into custody, over to the State DHHS or an entity with whom they contract.

This could significantly change the responsibility of Lancaster County to pay costs of persons placed into custody. Last FY Lancaster County contributed about \$400,000 in addition to functionally operating the facility for EPCs in Region V. Lancaster County also received \$155,363 from other contracts with Region V counties to provide EPC custody and evaluation. Lancaster County received \$1,252,342 in funds contracted through Region V, passed down from the state, which could be considered "contracting with the division" to take custody of these persons, which is language in this bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____